The State of Utah

Department of Natural Resources

Division of Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

Inspection Report

Representatives Present During the Inspection:	
Company	Mark Reynolds Resident Agent
Company	Charles Reynolds
OGM	Pete Hess Environmental Scientist III

Permit Number:	C0150025
Inspection Type:	COMPLETE
Inspection Date:	Tuesday, June 29, 2004
Start Date/Time:	6/29/2004 8:35:00 AM
End Date/Time:	6/30/2004 11:00:00 AM
Last Inspection:	Friday, May 21, 2004

Inspector: Pete Hess, Environmental Scientist III

Weather: Overcast, drizzle; rains heavy at times.

InspectionID Report Number: 319

Accepted by: pgrubaug
7/19/2004

Permitee: **CO-OP MINING CO**
Operator: **CO-OP MINING CO**
Site: **BEAR CANYON MINE**
Address: **PO BOX 1245, HUNTINGTON UT 84528**
County: **EMERY**
Permit Type: **PERMANENT COAL PROGRAM**
Permit Status: **ACTIVE**

Current Acreages

3,336.18	Total Permitted
36.64	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- [x] Federal
- [ ] State
- [ ] County
- [x] Fee
- [ ] Other

Types of Operations

- [x] Underground
- [ ] Surface
- [ ] Loadout
- [ ] Processing
- [ ] Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Divison Orders, and amendments:

The current State permit contains three special conditions, two of which are no longer pertinent. The sealing of the Bear Canyon #1 Mine in 2004 ended the possibility of transferring intercepted ground water into the old works above the Big Bear and Birch springs. The initiation of mining in the #3 Mine of the Wild Horse Ridge addition of the Bear Canyon permit area was permitted by Federal Mine Plan approval action, meeting the first special permit condition for Federal coal leases U-038727 and U-0020668. The third condition, which remains pertinent, is that the permittee must submit water monitoring information in an electronic format to the Division web site. The permittee continues to meet this requirement.

Inspector's Signature Pete Hess **Date** Thursday, July 01, 2004

Pete Hess, Environmental Scientist III
Inspector ID Number: 46

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. *Substantiate the elements on this inspection by checking the appropriate performance standard.*
   a. *For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.*
   b. *For PARTIAL inspections check only the elements evaluated.*
2. *Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.*
3. *Reference any narratives written in conjunction with this inspection at the appropriate performace standard listed below.*
4. *Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.*

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	☑	☐	☐	☐
2. Signs and Markers	☑	☐	☐	☐
3. Topsoil	☑	☐	☐	☐
4.a Hydrologic Balance: Diversions	☑	☐	☑	☑
4.b Hydrologic Balance: Sediment Ponds and Impoundments	☑	☐	☑	☐
4.c Hydrologic Balance: Other Sediment Control Measures	☑	☐	☑	☑
4.d Hydrologic Balance: Water Monitoring	☑	☐	☑	☐
4.e Hydrologic Balance: Effluent Limitations	☑	☐	☐	☐
5. Explosives	☑	☐	☑	☐
6. Disposal of Excess Spoil, Fills, Benches	☐	☑	☐	☐
7. Coal Mine Waste, Refuse Piles, Impoundments	☑	☐	☑	☐
8. Noncoal Waste	☑	☐	☐	☐
9. Protection of Fish, Wildlife and Related Environmental Issues	☑	☐	☑	☐
10. Slides and Other Damage	☑	☐	☐	☐
11. Contemporaneous Reclamation	☑	☐	☑	☐
12. Backfilling And Grading	☐	☑	☐	☐
13. Revegetation	☐	☑	☐	☐
14. Subsidence Control	☑	☐	☑	☐
15. Cessation of Operations	☐	☑	☐	☐
16.a Roads: Construction, Maintenance, Surfacing	☑	☐	☐	☐
16.b Roads: Drainage Controls	☑	☐	☐	☐
17. Other Transportation Facilities	☑	☐	☐	☐
18. Support Facilities, Utility Installations	☑	☐	☐	☐
19. AVS Check	☑	☐	☑	☐
20. Air Quality Permit	☑	☐	☐	☐
21. Bonding and Insurance	☑	☐	☑	☐
22. Other	☐	☐	☐	☐

4.a Hydrologic Balance: Diversions

Two diversions had been blocked by placing large quantities of coal mine waste in them, prior to that material being hauled to the lower Canyon for temporary storage. The coal mine waste is being generated by the development of entries in the #4 Mine. That material is being temporarily stored on the #4 Mine portal pad area, until it can be hauled to another temporary storage location farther down Canyon. Ditches D-30U and D-37U were blocked at the road switchbacks accessing Mines #3 and #4. Although the ditches were not carrying flow, runoff would have run uncontrolled from the ditches had an event occurred. Flow in these ditches reports to silt fences, thence off of the disturbed area. N04-46-2-2, 1 of 2 was issued to the permittee for failure to maintain diversions.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The permittee conducted the first quarter of 2004 impoundment inspections for the Bear Canyon site on February 10. There were no signs of instability or other hazards noted for any of the ponds A through D. According to the February 10th impoundment inspection report, the existing sediment level in Pond "B" was reported as varying from 7,062.1 feet to 7,063 feet. The 60% cleanout elevation for pond "B' is 7,062.9 feet. The pond's existing sediment level is therefore very close to the 60% cleanout elevation; this was pointed out to Mr. Charles Reynolds, who indicated that it is his intent to make plans to clean pond "B".

4.c Hydrologic Balance: Other Sediment Control Measures

As previously noted, the permittee must store mine development waste in a temporary pile on the #4 Mine portal pad prior to hauling it to the lower Canyon for either temporary storage, or for transport off the permit area. The #4 Mine temporary pile was observed to have infringed upon the sediment storage/treatment capacity of Catch Basin #3, as well as the inlet area to this incisement, preventing it from providing any sediment control for runoff intercepted by the #4 Mine pad area. The permittee was issued N04-46-2-2, 2 of 2 for failure to maintain sediment control devices.

4.d Hydrologic Balance: Water Monitoring

Discharge monitoring reports for the months of March through May of 2004 were reviewed. The only outfall reporting flow was UPDES point 004A, which is the Mine water discharge. All other outfalls were reported as having no discharge for that three month period; there were no exceedances reported for any effluent parameters in the flows reporting from 004A during the period. The Division's "missing samples" water monitoring report for the first quarter of 2004 was received in the PFO on July 1, 2004. That report indicates that no water monitoring information has been placed into the pipeline. Mr. Charles Reynolds was spoken to at approximately 1 PM on July 1, 2004. Mr. Reynolds indicated he would get right on the problem, asking if 7/2 was too late to submit the information. This individual told the permittee that if the required information was not submitted by July 7, 2004, a compliance action would be issued. The permittee understood that fact. Field measurement reports and laboratory analysis sheets were reviewed for several of the water samples taken during the second quarter of 2004. A comparison of the two sheets indicated that there are discrepancies occurring with that information. These include; 1) a discrepancy of up to seven days, between what has been recorded on the field data sheet, and the reported date sampled on the laboratory sheet, I.e., 5/20/2004 versus 5/27/2004. This presents a problem relative to maximum holding times for particular parameters required within the MRP. If the information has errors, maximum holding times may be exceeded, making the results meaningless. This is a compliance situation. 2) Flow quantities reported on the permittee's field measurement sheets did not coincide with flow quantities reported on the laboratory analysis sheet. 3) The pH reported on the field measurement sheet for sample site BC-1 sampled on May 20, 2004 did not coincide with the pH field measurement noted on the laboratory analysis sheet, (i.e., 8.63 field versus 7.15 reported as the field measurement by the lab). The seriousness of these errors was discussed with Mr. Mark Reynolds indicating although the permittee had time to investigate and correct same prior to submittal to the Division, uncorrected errors could make all water monitoring information worthless, if that fact was made public in litigation. Mr. Reynolds indicated he would investigate the errors and correct what was possible, based upon a determination of where the error occurred.

5. Explosives

The permittee has relocated the explosives storage magazine to the approved/permitted location (See Plate 2-4F). A temporary location was utilized by the permittee for this magazine during the development of the #4 Mine portals (coal burn development). The detonator magazine remains to be relocated. No surface blasting has occurred at the Bear Canyon site for several years. Mr. Kevin Petersen (Utah surface blaster's certificate # 196) is the permittee's certified surface blaster until January 31, 2005.

7. Coal Mine Waste, Refuse Piles, Impoundments

Depending on the type of coal mine waste generated by the Bear Canyon Mines, some is utilized as backfill material (red dog). Coal/shale reject is hauled off the permit area for permanent disposal at the Hiawatha permit area.

9. Protection of Fish, Wildlife and Related Environmental Issues

The permittee's spill prevention control and countermeasure plan was last certified by a professional engineer in August of 2000. Mr. Charles Reynolds was asked to re-certify that plan in order to meet the requirments of Federal law.

11. Contemporaneous Reclamation

There has not been any additional reclamation work performed on the #2 Mine access road since the last inspection.

14. Subsidence Control

The permittee's annual subsidence report was submitted with the 2003 annual report prior on April 19, 2004. The permittee submitted subsidence monitoring information for 46 locations within the Bear Canyon permit area. Data collection was achieved via aerial photogrammetry conducted by Olympus Aerial Surveys, Inc. Analytical data from the flyover was received by the permittee on October 7, 2003. Plate 3-3, is a P.E. certified subsidence map included with the report. The report does not contain an analysis. Monitoring points 500-519 report data for the escarpments located north of #1 and #2 Mines within Federal coal lease U-024316. Only points 502, and 515 through 518 are over Mine workings. Subsidence deflection varies from less than one foot to a maximum of approximately 3.4 feet at point 500, which is about 1500 feet from the Mine workings. Upheave varies from less than one foot to a maximum of 7.5 feet at point #513. In the Wild Horse Ridge area (#3 and #4 Mines) monitoring points 520 through 545 report data. To date, there has not been any secondary extraction in the #3 Mine. Point 544 reported a deflection of -9.564 feet from the 2002 elevation. Point 540 reported a heave of 8.83 feet. Both locations are in escarpment areas. Therefore, the high readings may be due to photogrammetry technical error, or a natural escarpment failure. The data upsets are not the result of underground mining activity. Other data appears normal, with +/- elevations varying from less than one foot to several feet.

19. AVS Check

Information submitted as part of the 2003 annual report is identical to that submitted to the Utah Department of Commerce on May 23, 2002.

21. Bonding and Insurance

The permittee's current general liability insurance reamins in effect until January 4, 2005. Coverage is provided by policy number BT03-1256, through AIG. Coverage amounts of $2,000,000 for the general aggregate and $1,000,000 per occurrence are provided. Payment for damage incurred from the use of explosives is provided.